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- 1. Right-wing Chinese relations with the British in Malsya are excellent at present. With the decline in influence of the MPAJA and other leftwing elements, the more responsible right wing leaders have shown restraint and have shown a willingness to cooperate with the British in every respect. From a rehabilitation point of view the Chinese have thus far been more profitable economically thathe British then have the Malays.
- 2. No serious restrictions have been placed in the way of the Chinese to immigrate to Malaya on a "flexible individual basis". On the other hand, large scale immigration will not be permitted. Since the reoccupation to June 1946 over 1,000 Chinese have been admitted to Malaya. Kirtually all of them were admitted on a "relative-friend" basis with only the right-wing elements taken into consideration. The Malayan Government works very closely with the Chinese Consulate to see that the "right sort of people" come in. For example, a planter in the Cameron Highlands placed an application for 65 "expert planters" from China "known to his family"; he had no difficulty in obtaining permits for their entry.
- 3. The Chinese Consulate has made representations to the Malayan Government to permit the permanent settlement on the west coast of Malaya of the refugee Chinese fishermen from the East Coast of Sumatra, a large number of whom came to Malaya after the attack by Indonesians on Bagan Si Api Api. At present the refugees have received permission to remain for a period not to exceed six months. The Chinese Consulate is confident they will be permitted to remain for the "duration of unsettled conditions in Sumatra". (25X1A6a comment: An official sanction allowing permanent settlement of these refugees might lead to violent protests from the Malays, with possible repercussions in London.)
- 4. A "nice, juicy, anti-American campaign" is anticipated in Kuala Lumpur, Ipoh and Penang following announcement of plans to institute regional branches in Malaya and other parts of Southeast Asia by the Singapore Chinese Federation for Peace and Democracy. TAN Kah Kee is Chairman of the organization.

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